

KAISER PERMANENTE WORKSITE WELLNESS PILOT PROPOSAL

DESCRIPTION

Kaiser Permanente (Kaiser) proposes a worksite wellness pilot project with a minimum of six selected State agencies that have at least 500 Kaiser member employees. A "Partnership in Health Report," which provides information on disease prevalence, screening rates, and other information would be developed for each agency. This report would be reviewed by Kaiser physicians and health educators who would then develop agency-specific worksite wellness plans, including:

- 1) onsite classes (such as stress reduction, weight management, and exercise);
- 2) Kaiser facility based classes;
- 3) services provided through KP.org (such as Total Health Assessment and online behavior modification programs); and,
- 4) health assessments and services performed at Kaiser (such as mammograms and immunizations).

The reports (including interpretation of results) and the worksite wellness plans would be offered at no cost to CalPERS or the State agencies; however, the plans may include elements that would require State agency funding to implement.

STAFF ANALYSIS

In general, health promotion and disease prevention programs have been found to benefit employees, employers and health plans as follows:¹

- Employees can experience "improved health and quality of life and increased productivity" and "potential for lowered financial liability."
- Employers can experience "gains in worker performance and productivity" and can "contain healthcare costs."
- Health plans can receive "National Committee on Quality Assurance accreditation" and can "contain healthcare utilization and costs of enrollees."

A 2007 review found "strong evidence" of the effectiveness of worksite programs "in reducing tobacco use among participants (with a median reduction in prevalence rates of 1.5 percentage points), dietary fat consumption as measured by self-report (median reduction in risk prevalence of 5.4 percentage points), high blood pressure (median prevalence risk reduction of 4.5 percentage points), total serum cholesterol levels (median prevalence reduction of 6.6 percentage points), the number of days absent from work because of illness or disability (median reduction of 1.2 days per year), and improvements in other general measures of worker productivity."²

¹ Schult, Tamara M.K. et al. "The future of health promotion/disease prevention programs: the incentives and barriers faced by stakeholders." *Journal of Occupational and Environmental Medicine* 2006 Jun;48(6):541-8.

² Task Force on Community Preventive Services. "Proceedings of the Task Force meeting: worksite reviews." Atlanta: Centers for Disease Control and Prevention, 2007. Summarized in: Goetzel, Ron Z.,

The basic concept of the proposed initiative is sound in that:

- Proposed timeline is reasonable and there are no major obstacles to implementation.
- A brief evaluation plan and outline of implementation beyond the pilot phase are provided.
- Supports CalPERS Strategic Goal XI, "Promote the ability of members and employers to make informed decisions resulting in improved lifestyle choices and health outcomes."
- Consistent with one of the Board's "Key Areas of Focus" as discussed at the July 2008 offsite, "Require health plans to deliver consistent, high-performing health and disease, and Rx management programs...."

Staff's concerns include:

- Most studies examining the value of wellness programs have focused on those sponsored directly by employers.
- Return on Investment (ROI) for wellness programs have not been fully established in scientific literature. Although some review articles have found positive ROI³, as stated in a recently-published review article⁴, "Some researchers point to selection bias as the likely reason for finding cost savings and high ROI estimates in work site studies. In many studies, it is unclear whether program participants are healthier or more highly motivated than nonparticipants to begin with. Such differences in health or motivation may explain why participants use fewer medical care or other services and may continue to do so even if a program was not available." Since CalPERS is a purchaser (not an employer), CalPERS will need to agree on a methodology to calculate ROI, which for wellness programs are usually not realized for three to five years.
- Funds will be difficult for State agencies to support the proposal due to the current State budget crisis.
- Data in a "Partnership in Health Report" may be used to identify a particular person or group of people due to small cell sizes in certain analyses. For that reason, CalPERS staff should review the "Partnership in Health Reports" prior to their being released to the State agencies in the pilot.
- Assessment of data will be difficult to measure outcomes for the overall program because of variation in the design of the wellness plans among different agencies.

and Ronald J. Ozminkowski. "The health and cost benefits of work site health-promotion programs." *Annual Review of Public Health* 2008;29:303-323.

³ Chapman, Larry S. "Meta-evaluation of worksite health promotion economic return studies: 2005 update." *American Journal of Health Promotion* 2005 Jul-Aug;19(6):1-11.

⁴ Goetzel, Ron Z., and Ronald J. Ozminkowski. "The health and cost benefits of work site health-promotion programs." *Annual Review of Public Health* 2008;29:303-323.

- No costs of the proposal beyond the pilot phase have been provided. CalPERS Board will find it difficult to make an informed decision about the implementation beyond the pilot.
- Pilot design limits the benefits to only Kaiser members and may exclude a majority of employees in the targeted agencies. This may limit the willingness of agencies to participate in any of the services that are provided at a cost when benefits are specific to Kaiser members only.
- Participating in the pilot could be perceived that the program provides Kaiser with an advantage over other plans for recruitment of new members.

RECOMMENDATION

Staff will:

- Continue to work with Kaiser on the details and feasibility of its proposal.
- Consider the pros and cons of starting a new initiative versus including some of the concepts of the Kaiser proposal into the wellness program to be outlined in the upcoming Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) Request for Proposals (RFPs).
- Consider whether the Kaiser program should meet the standards of the voluntary Comprehensive Wellness Accreditation program of URAC (formerly the "Utilization Review Accreditation Commission") announced in November 2008.⁵ The URAC requirements for wellness programs relate to organizational structure and function (e.g., presence of a quality management program); health risk assessment; interventions (e.g., use of evidence-based research and practices); integration (e.g., participants' rights and responsibilities); evaluation; and measurement.⁶

⁵ "URAC announces accreditation standards for Comprehensive Wellness programs." At <http://www.urac.org/press/cmsDocument.aspx?id=617> . Washington, D.C.: URAC, November 19, 2008.

⁶ URAC. "Health management: Comprehensive Wellness Accreditation." At http://www.urac.org/docs/programs/URAC_Wellness_Fact_Sheet.pdf .